



PDC NEWS

711 Capitol Way, Room 206
Olympia Washington

Public Disclosure Commission

Mike Connelly, Chair
Susan Brady, Vice Chair
Lois Clement, Secretary
Francis Martin, Commissioner
Earl Tilly, Commissioner

March 25, 2003

Volume 3 Issue No 2

Enforcement Matters

SETTLEMENT

In lieu of a full enforcement hearing, the Commission accepted a stipulated agreement with **Don Wasson**, former mayor of the City of Des Moines, finding multiple violations of campaign finance laws for failing to register a political committee and timely file reports of contributions and expenditures, for receiving excess contributions and for concealing the source and amount of contributions and an independent expenditure to candidates in the 2001 Des Moines City Council election. The stipulation was contingent upon Wasson resigning from office. It also included a civil penalty of \$10,000 of which \$7,500 was suspended on the condition that there is no future violation of public disclosure laws. In accepting the stipulation Mr. Wasson agreed not to seek election to public office, not serve as a campaign treasurer for any political committee or candidate, or soliciting campaign contributions.

The Commission also accepted a stipulated agreement with **Environmental Materials Transport, LLC**, and **TME Capital Group, LLC**, finding multiple violations of campaign finance laws for concealing the source and amount of contributions made to candidates in the 1999 Des Moines City Council election. The stipulation included a civil penalty of \$40,000 (\$10,000 per violation) and an additional \$3,000 to cover a portion of the Commission's investigative costs. \$10,000 per violation is the maximum penalty that could be imposed under law had the state prevailed in Superior Court.

REFERRAL

Finding apparent violations of the Public Disclosure Laws, the Commission referred to the Attorney General's Office enforcement cases against **Hank Hopkins**, Lynnwood businessman, for making excess contributions and concealing the source and amount of contributions made to candidates in the 2001 Des Moines City Council election and against **Concerned Citizens for Better Government** and **Joseph Coomer** for failing to report contributions received and expenditures made in 2001 and 2002.

In making the referrals, the Commission said its penalty authority is insufficient to address the apparent violations.

DISMISSALS

The Commission dismissed allegations of violations against **Denis Bryant**, **Dixie Collett**, **Ginger Marshall**, **Michael Mehlhoff**, **Enviroc, Inc.**, **Henry M. Foote, Jr.**, and **Marty Michalson** for concealing the source and amount of contributions made to candidates in the 1999 Des Moines City Council election. Also dismissed were the allegations against **Henry M. Foote, Jr.** and **Margaret Steenrod** for failure to report contributions and expenditures and concealing the source and amount of contributions received in the 2001 Des Moines City Council election. The Commission found that there was no evidence these individuals were part of the effort to conceal the source and amount of contributions.

The allegations against Des Moines City Council members **Gary Petersen** and **Richard Benjamin** were held over for future consideration.

Rule Making

The Commission adopted permanent rules (WAC 390-17-100 and WAC 390-17-110) designed to implement and clarify RCW 42.17.680.

Current law requires the Commission to develop a standard authorization form to be used for payroll deductions and requires annual notification of employees from whom wages or salary are withheld for contributions to political committees or for use as political contributions. The annual notification must include the non-discriminatory provision of RCW 42.17.680(2) and a notification about the right to revoke the authorization for payroll deductions at any time. The adopted rules clarify what needs to be included in the authorization forms, who sends the notification to employees, examples of what constitutes written notification, and how long the records must be kept.

The Commission approved language that would allow an employer and recipient of payroll deductions to agree on who would provide the annual notification to employees.

Language to address the issues of primary election pledges, payment of pledges and sponsor identification of broadcast advertising was also approved by the Commission. A public hearing on amendments to WAC 390-16-245 and WAC 390-18-010 will be scheduled.

Advisory Matters

The Commission was briefed on the results of a review of the four caucus committees and each of their related political committees regarding record keeping and reporting during the 2000 and 2002 election campaigns.

Reporting Modifications

The Commission granted a request for a reporting modification by **Betty Neighbors**, Candidate for Snohomish County Executive, from reporting the business customers of TERRA Services, Inc., of which she is an officer and owner.

The Commission renewed with no changes modifications for the following individuals and political committees:

- **Kenneth Alhadeff**, Regent, Washington State University
- **Elizabeth A. Cowles**, Regent, Washington State University
- **William H. Gates, Sr.**, Regent, University of Washington
- **Orlan Gessford**, School Director, Washougal School District No. 112-6
- **Dan Grausz**, City Council Member, City of Mercer Island
- **International Brotherhood of Electrical Workers**, (Local 77 PAC)
- **Sara M.R. "Sally" Jewell**, Regent, University of Washington
- **Karen Lane**, Trustee, The Evergreen State College
- **Dean S. Lum**, Judge, King County Superior Court
- **Jeffery W. Nitta**, Commissioner, State Housing and Finance Commission
- **Erin M. Sheridan**, School Director, Vashon Island School District
- **Active in Democracy** (PAC of Tacoma Firefighters Union, IAFF Local #31)
- **Grace T. Yuan**, Trustee, Western Washington University
- **Cynthia Zehnder**, Regent, University of Washington and Chief Clerk, Washington State House of Representatives

The Commission meeting materials may be found at www.pdc.wa.gov under **Commission Meetings** at **Meeting Agendas and Materials**. For additional information concerning these issues contact Doug Ellis, Director of Public Outreach, at (360) 664-2735, toll free 1-877-601-2828 or e-mail at dellis@pdc.wa.gov.